

DS Payment Model Work Group

JANUARY 30, 2019

Payment Model Work Group

January 30, 2019

MEETING OBJECTIVES

1. Ensure that that team is aware of 90/10 APD funding
2. Identify and review current process flow and challenges
3. Gain input and discussion on Burns process and criteria

MEETING AGENDA

Agenda

Update of work of the Workgroups

Current process overview

Process path and challenges

Criteria to evaluate payment methodologies

Next steps / planning for next meeting

The purpose of the DS payment reform project is to create a transparent, effective, and administrable payment model for DS services that aligns with the Agency's broader payment reform and health care reform goals.

HELPFUL TO
DIFFERENTIATE BETWEEN
MODEL/DESIGN OPTIONS

NECESSARY TO BUILD INTO ANY MODEL

Address provider
financial risk

Administrable

Easy to understand

Predictable and
sustainable financing

Accommodate outliers

Avoids cherry-picking

Revenue neutral

Based on service level and financial
data that is consistent, reliable,
verifiable, and accurate

Contemplate quality measurement
development and reporting

Transparent regarding the services
paid for

Avoids unnecessary administrative
burden

Scalable to accommodate providers of
different sizes and increases or decreases
in number served

Maintains at least the status quo regarding
access

Support zero-reject system

Person Centered

Equitable across individuals and providers

Objective

Workgroup Updates

ENCOUNTER DATA

NEEDS ASSESSMENT

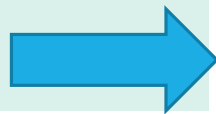
MILESTONES

RATE STUDY (SEE NEXT SLIDE)

Burns and Associates presented preliminary analysis in December

PROVIDER SURVEY: PRELIMINARY ANALYSIS

Burns & Associates sent emails to providers seeking clarification on submitted information
Survey analysis will be updated to incorporate clarifications



A RATE MODEL IS JUST ONE COMPONENT OF OUR PAYMENT METHODOLOGY

Based on information from provider survey and other information
Intended to reflect the cost for providing a unit (e.g., day or hour) of service
Other elements will be determined*

DRAFT RATE MODELS: WILL BE RELEASED FOR PUBLIC COMMENT IN Q2

Recommendations will be presented to providers; a month allocated for written feedback
Rate models will be revised based on comments as appropriate

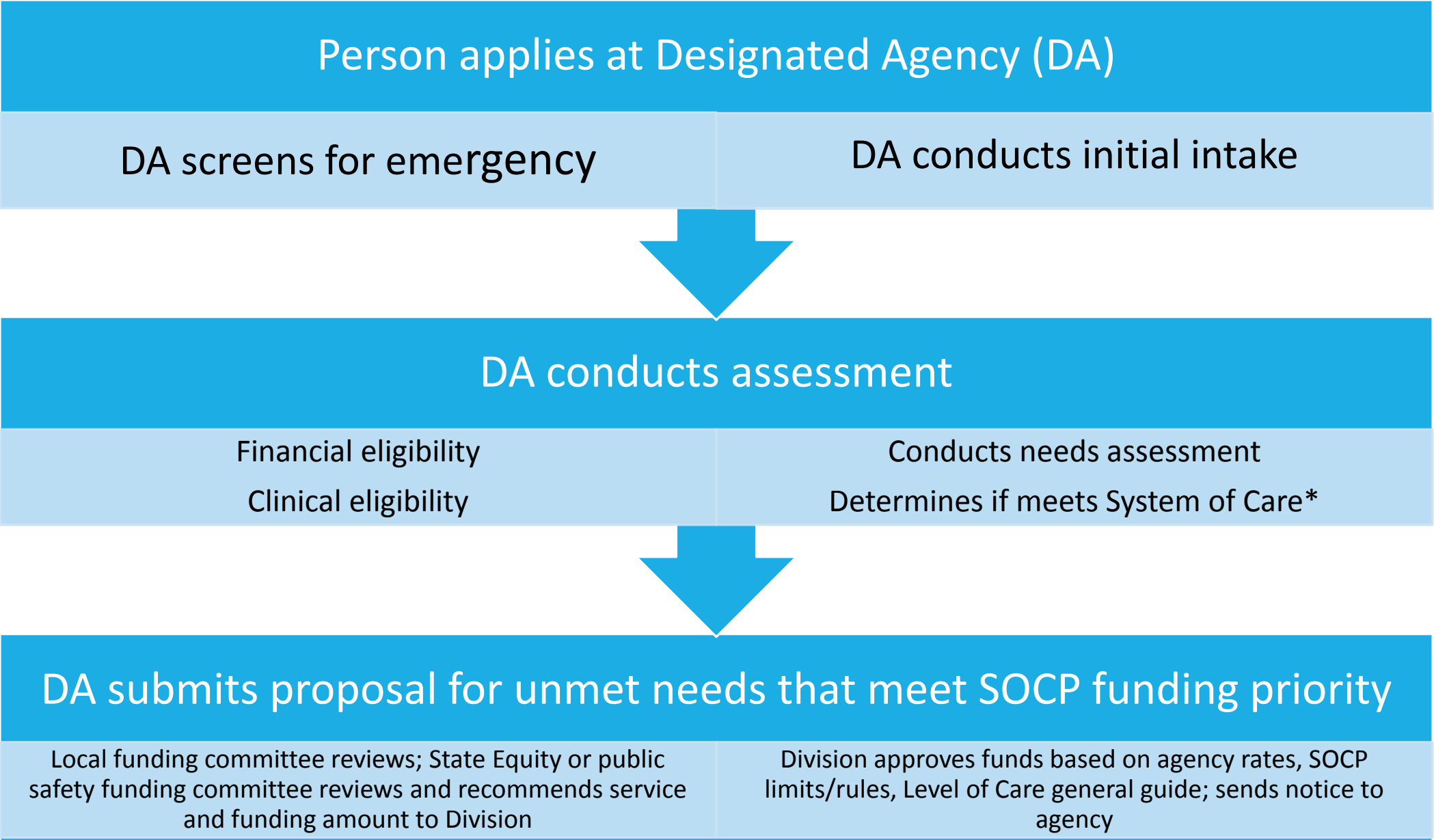
*e.g., basis for determining amount of support for an individual, method of payment, timing of implementation

The Payment Model Work Group is determining model preference and path for new model “roll out”

A review of a straw payment model, model options and examples from other states resulted in detailed exploration of payment tiers. The rate model survey will inform the process.

Work Group Goals, project planning phase	Status Update
<ul style="list-style-type: none">• Provider rate survey to be finalized	<ul style="list-style-type: none">• Revisions to be made based on provider responses to questions from Burns and Associates. Final report from Burns likely Q2 to be informed by further state collaboration
<ul style="list-style-type: none">• Review straw payment model and select model preference	<ul style="list-style-type: none">• Examination of alternative / transitional payment methodologies underway. Next steps: explore and document comparison of options• Work will continue with Burns & Associates
<ul style="list-style-type: none">• Develop preliminary view of services to be included in bundles	<ul style="list-style-type: none">• Human Services Research Institute (HSRI) and Burns and Associates will facilitate further exploration. Next steps: February workshop to develop increased foundational planning

Current Process Flow



Current Process:

Application through Division approval

**DA determines if situation meets DS System of Care (SOCP) funding priority to access HCBS and rules out other sources of funding*

Agency sends notification of decision with appeal rights to person

DA explains and offers provider/management options

Person selects provider/management option



Chosen provider agency develops Individual Support Agreement (ISA) with team

Provider agency provides services
Provider agency bills for services

Provider agency reports services delivered in
Monthly Service Report (MSR) reporting system



Provider agency monitors service delivery

Agency adjusts services / budget as needs change

At least annually conducts periodic review

Current
Process:

Notification
through
periodic
review

Current Payment Methodology

- Provider assesses individual and develops a service plan (type and amount of services) for the individual.
- The provider determines the rate to be applied to each service in the plan in order to establish an aggregate budget for the individual, which is subject to DAIL approval.
- The budget is divided by 365 to establish the daily, all-inclusive rate for the individual.

Assessment and funding request
process:

Not consistent with HCBS rules
related to conflict-free case
management

Needs assessment lacks
standardization:

No standardization of process for
conducting the assessment; done
by many different staff at agencies

Needs Assessment
Current challenges

Needs assessment tool: provides
info about needs but does not
translate into a specific amount of
service to meet need

Assessment tool lacks training on
administration:

Issues lead to inequitable
distribution of services/funding
across the state

Encounter data to track services delivered has significant gaps and is in multiple places, primarily in MSR and ARIS, but sometimes in neither

State cannot verify from available data that claims submitted reflect services delivered or follow allowable billing according to SOCP

**Claims and
Encounter Data
Current Challenges**

Lack of reliable encounter data hinders agencies in ability to monitor utilization and make real time adjustments to spreadsheets/budgets/plans

Lack of reliable encounter data interferes with State's ability to oversee payment and ensure that services are received based on authorization and assessed needs

No uniformity of service rates across agencies; rates listed on proposals and spreadsheet not necessarily consistent with costs*

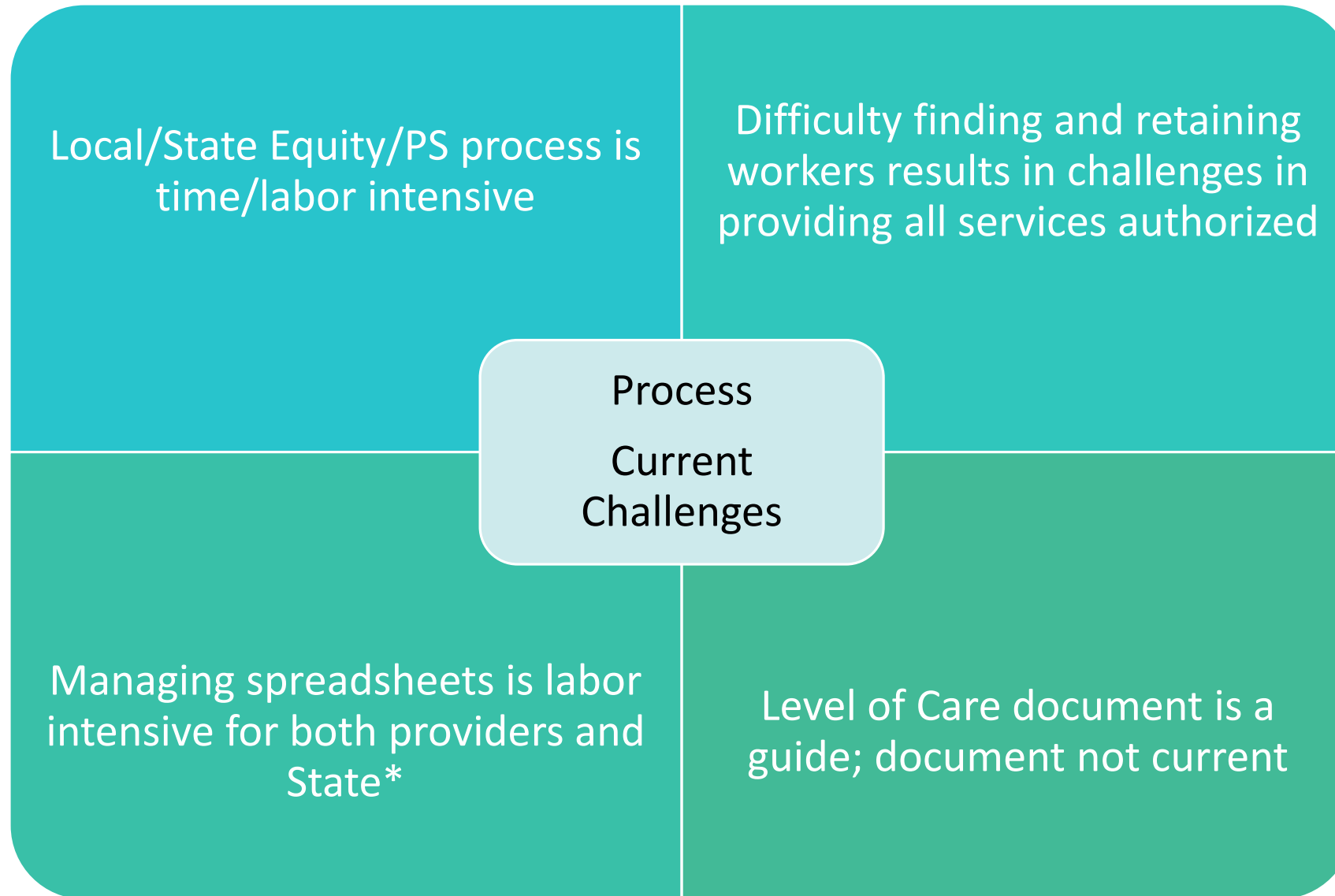
Case management rate is set by state; SOCP says when setting rates, agencies should submit costs to deliver the service or the state sets rate, whichever is lower

Rates
Current Challenges

Agencies said they are backing into rates based on total annual allocation for agency divided by the amounts of services needed or agreed upon in people's plans.

No standardized rate setting methodology; agencies, not state, set most rates

*Agencies have told State that rates are not based on costs; Agencies say rates too low to cover costs



*Managing spreadsheets with real-time, up-to-date information according to rules in SOCP and spreadsheet manual is especially labor intensive at the beginning of FY for annual update ("respreads")

Plan for involving stakeholders

After initial meeting with Burns and HSRI, we will bring ideas to and seek input from Payment model workgroup and Advisory committee

Multiple ideas to consider, questions to be answered and decisions to be made.

We will bring information out to stakeholder groups such as SPSC, providers, GMSA, VFN, etc.

When there is a draft of a proposal on the table, will likely hold forums for input

Input on criteria for evaluating payment model

Incorporates items from charter and stakeholder input

What else?

Key criteria serve as a basis for comparing payment methodologies

Criteria	Definition
Efficient	Minimizes administrative complexity/burden
Economic	Aligns with provider costs, and are neither too high nor too low
Quality	Supports and incentivizes the achievement of defined outcomes
Sufficient	Supports a provider network that provides access to services comparable to the current level of access
Person-Centered	Reflects the unique circumstances of each individual
Objective	Uses impartial criteria to assign payments
Equitable	Offers equivalent services to similarly situated individuals
Comprehensible	Easily explainable and understandable
Transparent	Service recipients and external stakeholders understand both <i>what</i> the payment /rate is and <i>how</i> it was established
Flexible	Responds to changes in individual needs
Accountable	Answerable for actions taken

Key criteria serve as a basis for comparing payment methodologies

Criteria	Definition
Supports self/family management options	Maintains the option to self/family-manage
Predictable and sustainable financing	Allows providers to reasonably predict revenues and funding is adequate to sustain provider network
Avoids cherry-picking	Ensures that system does not leave out those whose services might include financial risk
Accommodates outliers	Provides a method of funding extraordinary costs
Revenue neutral	Maintain overall DDS budget
Based on service level and financial data that is consistent, reliable, verifiable, and accurate	Use good data in constructing new model
Scalable	Accommodate providers of different sizes and increases or decreases in number served
Support zero-reject system	Maintains DAs as responsible entity for eligible individuals when no other available or willing provider
Maintains choice	Maintains choice of providers/management options/ service options/ability to direct one's life

DS Payment Reform Timeline & Milestones

Milestones	Status
Enhanced federal funding for standardized assessments	Content determination started Jan 15, 2019. Submission to CMS 5/1/19
MMIS taxonomy design	Billing code determination / identification targeted for 2/1/19 – 3/1/19; next step will be DXC code “loading” / programming of system to accept codes
Payment model design structure	Workshop sessions guided by Burns and HSRI. Continued input from payment model workgroup and stakeholder groups, 2/13/19- 7/31/19
HCBS conflict free case management rule plan developed	Solicit stakeholder input regarding how to address conflict free case management requirement. 2/1/19-5/1/19 Create plan for compliance 5/1/19 – 6/1/19
Roll out zero paid claims	Start of encounter data collection process to all providers 4/1/19 – 7/1/19, pending system readiness

Upcoming Meetings

Sun	Mon	Tues	Wed	Thurs	Fri	Sat
February					1 Statewide Advisory Committee, 2:00	
	11 Milestone sub team meeting, 1:00		13 State workshops	14 State workshops	15 Payment Model Work Group scheduled meeting	

Next Steps

1. Payment Model Work Group information will be presented at the Feb 1 Advisory Committee Meeting
2. Initiate planning and activities for APD addendum
3. Payment Model Work Group input will be discussed at next State Leadership Committee meeting, Feb 7